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TAGS: [AORC](#) [PREL](#) [ENRG](#) [UN](#) [NO](#) [KPAL](#)
SUBJECT: U/S SHINER'S VISIT TO OSLO

Classified By: Ambassador Benson K. Whitney, reason 1.4 (b) and (d)

1. (U) Summary: On May 16, Under Secretary Josette Shiner met in Oslo with Norwegian Prime Minister Jens Stoltenberg and the PM's team working on the UN High Level Panel for Reform. The Norwegians laid out their plans for moving forward the work of the panel, including establishing the advancement of the Millennium Development Goals as benchmarks for assessing UN agencies, performance. U/S Shiner and PM Stoltenberg also discussed energy issues, focusing on the role that Norway plays as a stable and major world energy supplier, and the U/S met with senior oil and gas industry leaders and government officials. In a joint press appearance, both U/S Shiner and PM Stoltenberg stressed that Hamas must meet the central demands of the international community, including acknowledgment of Israel's right to exist and the renunciation of violence. End Summary.

UN Panel

2. (SBU) Norwegian PM Stoltenberg is co-chairman of the High Level UN Panel charged with coming up with proposals for strengthening the UN. The Panel is to report its findings before the General Assembly in September 2006. Given this short timeline, the Norwegians are anxious to get the process started. Stoltenberg indicated that while the Panel's Secretariat will do good work, he believes the fastest way

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forward is if the individual countries on the panel put forward written papers that can be circulated prior to the Panel meeting June 2, where the ideas can be discussed. U/S Shiner has been working on papers on building trade capacity and instituting practices to institute the UN as an institution of public trust. Stoltenberg specifically asked that the United States contribute its ideas as soon as possible in writing. Stoltenberg will then liaise with his co-chairs on how best to circulate these national papers. Stoltenberg shares our goal to make the UN as effective as possible and clearly is interested in working with us to achieve this goal.

13. (SBU) Norway's major theme, welcomed by U/S Shiner, is that in order to rationalize the work by various UN agencies, it is necessary to have clear and objective performance indicators. Norway suggests that the starting point for measuring the UN agencies' performance should be the Millennium Development Goals (MDGs). Each UN agency should be asked to demonstrate how its efforts are contributing to the achievement of these goals. Because the MDGs are already accepted by the UN's diverse membership, the MDGs can provide off-the-shelf performance indicators, obviating the need for the panel to embark on the painful and uncertain effort of agreeing on a new definition of the UN's priorities with corresponding measurement tools.

14. (SBU) Also, acknowledging that every country has its pet UN agencies, having objective indicators that can be used to measure UN agencies' performance will be a more rational way to determine which agencies are performing their mission, and which are not. As an immediate step at demonstrating UN credibility, some agencies' missions are probably ripe for wrapping up. An example of agencies that should come under close scrutiny by the panel, Stoltenberg said, are the regional economic development agencies. Stoltenberg agreed with U/S Shiner that other agencies with dubious records could be repositioned and strengthened. For example, UNCTAD could usefully play a role in trade capacity building, helping developing countries position themselves for participation in the global economy.

15. (SBU) Stoltenberg and U/S Shiner also agreed that the panel needed to focus on ways that UN agencies can become better coordinated. Members of Stoltenberg's panel suggested that it would be difficult if the in-country coordination function was assumed by one of the various competing agencies. Rather the Norwegian suggested that an independent and separately funded coordinator, who would have authority over the various UN agencies in-country, might be an idea the panel should consider. To start the process it might be a good idea, U/S Shiner suggested and the Norwegians agreed, to put in place a coordination model in a number (ten) pilot countries. Or even, if the panel comes up with more than one viable coordination model, perhaps two or three different sets of pilot countries should be evaluated over a control period to see which coordination model worked best.

16. (SBU) Stoltenberg was clear that it was not the Norwegian intention that the panel should set out a single program for UN reform. Rather, Stoltenberg sees the panel's job as launching a process of reform within the UN. This ongoing reform process should lead over time to a strengthening of the UN's credibility.

Norway: Stable Energy Producer for Europe and the World

17. (U) Enthused about energy issues, Stoltenberg told U/S Shiner that Norway's role as a major (and stable) energy supplier is Norway's "most important contribution to Europe and the world." Stoltenberg noted that Norway supplies France and Germany, respectively, with 35 per cent and 25 per cent of their domestic natural gas. Norway supplies the UK with 26 percent of its oil, and when the Orme Lange project is completed -- "Norway's moon landing," Stoltenberg called the technology -- Norway will provide a significantly increased proportion of Britain's natural gas too.

18. (C) Norway has proven to be a stable supplier, and agrees with the U.S. on the importance to European energy security of Europe diversifying its energy sources. Stoltenberg noted that one real constraint in Norway's ability to serve as an alternative supplier of gas to European markets is ownership of the delivery infrastructure. Russia still owns the pipelines, is intent on controlling more of the infrastructure, and does not view energy as an ordinary commodity, but as a political tool. In fact, Stoltenberg noted that the price of Norwegian participation in the huge Shtockmann field in the Russian Barents would be Russian

access to Norwegian infrastructure. Stoltenberg also noted that Norway is currently producing at near capacity, so in order for Norway's deliveries to increase, new sources need to be found. One of the problems associated with exploration in the offshore arctic environment is the high cost and risks to companies. Also, these potential resources are a long way away from markets and would require a substantial investment in infrastructure. Added to these difficulties, Norway and Russia still have not managed to resolve their 30-year old maritime border dispute, and while negotiations are ongoing, there is no settlement in sight.

¶9. (C) Stoltenberg also commented on the situation in Bolivia and Venezuela, noting that the actions taken to nationalize industries was surprising, old-fashioned, and dangerous. It is right and natural that governments should reap financial benefits from profitable extractive industries in their countries, but there are better ways to increase national income from oil and gas than nationalization. For example, Norway has been a predictable and good supplier that has good relations with foreign energy companies, at the same time as Norway has strong public ownership in the energy sector and very high taxes. Stoltenberg also noted that, in Norway's energy dialogue and assistance to other countries, Norway works hard to promote sustainable development and poverty reduction as necessary corollaries of the energy business. U/S Shiner thanked Norway for its involvement with the Extractive Industries Transparency Initiative (EITI), including Norwegian hosting of an upcoming fall 2006 EITI ministerial. She also shared the U.S. emphasis on energy security as a critical component for the G-8 Summit.

 Hamas Visas

¶10. (U) After their two hour (plus) meeting, U/S Shiner and PM Stoltenberg met together with Norwegian journalists. They were asked to comment on the news that earlier on May 16 the Norwegian MFA had decided to issue a Schengen visa to Hamas parliamentarian Yahya el-Abadza. With U/S Shiner at his side, Stoltenberg said that the two of them had privately discussed the Middle East situation and then said that Norway is fully in line with the international community's demands on Hamas, including that Hamas acknowledge Israel's right to exist and that Hamas renounce violence. U/S Shiner also noted that while we disagree on the subject of issuing visas to Hamas, not seeing eye-to-eye on every issue does not undermine the many areas where the U.S. and Norway work together well, citing Sri Lanka and Sudan as examples.

 Embassy Comment

¶11. (C) U/S Shiner is the highest ranking USG official to visit Norway since the Stoltenberg government came to power last October. The scheduled one-hour meeting with the PM meant to focus on UN panel issues became an over 2-hour affair as Stoltenberg was eager to discuss bilateral issues; in particular, how Norway can play a meaningful role in promoting energy security and the growing importance of the Arctic "High North." Stoltenberg was recently stung by public criticism that he is not paying sufficient attention to the relationship with the U.S. on the heels of two press reports, one that unhappiness at the White House over Stoltenberg's decision to pull-out of Iraq has meant that a meeting request with the President was rejected, and the other that Stoltenberg chose not to meet a group of six U.S. Senators last fall.

¶12. (C) The fact that the PM decided to do a joint press appearance with U/S Shiner and spend so much time with her was a clear attempt to quiet his critics. While we welcome his effort, we remain unconvinced that Stoltenberg is prepared to muzzle the far-left Socialist Left party junior coalition partner's anti-Americanism. Having failed in his first stint as PM in 2000, Stoltenberg is determined to keep his majority coalition in power and has so far chosen to

distance his government from us in order to appease the far-left domestically. We are encouraged, however, that Stoltenberg and FM Stoere are starting to realize that they cannot take partnership with the U.S. for granted and that to maintain our historically strong ties requires more effort and less criticism on their part. We see the issues of the High North and energy as an area where we have common interests and where we can both benefit from closer engagement, particularly as the Norwegians are anxious about Russia's potential use of energy as a political tool.

¶13. (U) U/S Shiner cleared this message.

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